

POSTAL REGULATORY COMMISSION

**901 New York Avenue, NW
Suite 200
Washington, D.C. 20268-0001**

FORM 8-K

CURRENT REPORT

**Pursuant To Section 13 or 15(d) of
The Securities Exchange Act of 1934
and Section 3654 of
The Postal Accountability and Enhancement Act of 2006**

Date of Report (Date of earliest event reported): August 9, 2013

United States Postal Service

(Exact name of registrant as specified in its charter)

n/a
(State or other jurisdiction of incorporation
or organization)

n/a
(Commission File Number)

41-076000
(I.R.S. Employer Identification No.)

**475 L'Enfant Plaza, SW
Washington, D.C.**
(Address of principal executive offices)

20260
(Zip Code)

202-268-2000
(Registrant's telephone number, including area code)

n/a
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On August 9, 2013, the United States Postal Service announced financial results for the period ended on June 30, 2013. Attached hereto is a press release regarding those financial results.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1 Press release issued on August 9, 2013 regarding financial results for the period ended on June 30, 2013.

Signatures

Pursuant to the requirements of the Postal Accountability and Enhancement Act of 2006, the Postal Service has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

United States Postal Service
(Registrant)

By: Tim O'Reilly
(Signature)
Timothy O'Reilly
Vice President, Controller

Date: August 7, 2013

Exhibit 99.1

(See attached)



POSTAL NEWS

FOR IMMEDIATE RELEASE
Aug. 9, 2013

Contact: David Partenheimer
david.a.partenheimer@usps.gov

202.268.2599

usps.com/news

Release No. 13-063



Postal Service Actions to Improve Efficiency Help To Lower Third Quarter Loss

- *Postal Reform Legislation Key Component to Close \$20 Billion Gap*
- *Aggressive Cost Reduction Actions Can't Fully Offset Impact of Declining First-Class Mail Volumes*
- *Continued Growth in Package Business Highlights Value of Postal Service Shipping Services*

WASHINGTON — The U.S. Postal Service ended the third quarter of its 2013 fiscal year (April 1 – June 30) with a net loss of \$740 million, increasing the year-to-date net loss to \$3.9 billion. Aggressive Postal Service actions to contain costs and increase efficiency, along with a decrease in workers' compensation expense due to fluctuations of discount rates, prevented the financial loss from being greater. However, the Postal Service will not return to profitability and long-term financial stability without passage of comprehensive legislation to fix a business model that does not allow it to adapt to changes in the marketplace.

"We are encouraged that comprehensive postal reform legislation has started making its way through the legislative process in both the House and Senate," said Postmaster General and CEO Patrick Donahoe. "We continue to evaluate the current legislation based on whether it enables \$20 billion in savings by 2017."

Donahoe added that the Postal Service Five-Year Business Plan does provide at least \$20 billion in savings and creates a financially sustainable business model to support America's residential and business mailing and shipping needs well into the future.

Contributing to the third quarter loss were continued expenses for the legally-mandated prefunding of retiree health benefits, the continuing decline of First-Class Mail volume and the continuation of six-days-per-week of mail delivery. The quarter's operating expenses were reduced by \$918 million due to a change in the discount rate for workers' compensation. Future cash payments for workers' compensation must be converted to present-day dollars, or discounted, by applying the current rates at which the liability could theoretically be settled.

Operating revenue in the third quarter increased 3.6 percent compared to the same period last year and revenue for the first nine months of the fiscal year was up 1.3 percent. The increases were fueled by strong growth in Postal Service shipping and Package Services supplemented by moderate increases in Standard Mail revenue. However, these increases were offset by declines in First-Class Mail revenue, which continues its decline that began in 2008.

"We need to make fundamental changes to the way we currently do business, changes that are part of our Five-Year Business Plan," said Chief Financial Officer Joe Corbett. "However, without comprehensive postal reform legislation signed into law, our hands are tied and we expect multi-billion dollar annual losses to continue."

Corbett said current projections indicate that the Postal Service will continue to have low levels of

liquidity for the remainder of this fiscal year, will be unable to make the required \$5.6 billion retiree health benefits prefunding payment due by Sept. 30, and will continue to have no ability to borrow additional funds at that date. This cash position will continue to worsen in October when the Postal Service is required to make its annual payment of approximately \$1.4 billion to the Department of Labor for workers' compensation.

Meanwhile, the Postal Service continues to be successful in taking advantage of e-commerce opportunities to grow its shipping business. Total Shipping and Packages revenue increased 8.8 percent in the third quarter over the same period last year driven by a 22.6 percent increase in revenue for the Parcel category and a 16.4 percent increase in First-Class Packages revenue.

The Postal Service also continues to implement efficiency measures and continues its actions to better align staffing levels with projected mail volume. In the first nine months of the current fiscal year:

- 104 mail processing facilities were consolidated
- 7,397 Post Offices reduced operating hours as part of Post Plan
- 258 new Village Post Offices were established
- 1,156 delivery routes were consolidated or reduced
- Career employee workhours reduced by approximate 41 million
- Non-career employee workhours increased by approximately 30 million.

Third Quarter Results of Operations Compared to Same Period Last Year

- Total mail volume of 37.9 billion pieces compared to 38.3 billion pieces. The nine-month total volumes were 120.2 billion pieces and 121.2 billion pieces in 2013 and 2012, respectively.
 - First-Class Mail revenue decreased 0.9 percent on a volume decrease of 3.4 percent in the third quarter. In the nine months ended June 30, 2013 First-Class Mail revenue decreased 2.2 percent while volume was down by 4 percent.
 - Standard Mail revenue increased 3.0 percent on a volume increase of 1.0 percent; year-to-date revenues were up 2.9 percent on a 1.9 percent increase in volume.
 - Shipping and Package revenue increased 8.8 percent on a volume increase of 7.1 percent; for the nine months ended June 30, 2013 revenue was up 7.5 percent with volume up 5.7 percent.
- Operating revenue of \$16.2 billion, an increase of 3.6 percent compared to \$15.6 billion. Revenue for the nine month periods ending June 30, 2013 and 2012 was \$50.2 billion and \$49.5 billion, an increase of 1.3 percent.
- Operating expenses of \$16.9 billion compared to \$20.8 billion. The large decrease reflects the fact that this year the Postal Service is accruing amounts for one Retiree Health Benefit prefunding payment in contrast to two payments last year and a \$918 million decrease to workers' compensation expense due to interest rates. The fiscal year-to-date operating expenses are down by \$7.1 billion from \$61.0 billion to \$53.9 billion, which represents a decrease of 11.7 percent.

Complete financial results are available in the Form 10-Q, available at <http://about.usps.com/who-we-are/financials/welcome.htm>

Financial Briefing Monday, Aug. 12

Postmaster General and CEO Patrick Donahoe and Chief Financial Officer Joe Corbett will host a telephone/Web conference call at 11 a.m. EDT on Monday, Aug. 12 to discuss the financial results in detail. The call is open to the news media and all other interested parties.

To attend by phone with audio only, dial 866-966-6305 (meeting ID: 8240649).

To attend the Web conference and join with audio:

1. Browse to <http://meetingplace4.usps.gov/join.asp?8240649>
2. After the MeetingPlace window is open, click the Phone icon (Under the Participant List or in the upper right-hand corner).
3. Click Connect Me, validate or update your phone number and click Connect Me again.
4. When the system calls you, press 1 to join.

The briefing also will be available on live audio webcast (listen only) at:

<http://about.usps.com/news/electronic-press-kits/cfo/welcome.htm>

The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

###

For reporters interested in speaking with a regional Postal Service public relations professional, please go to <http://about.usps.com/news/media-contacts/usps-local-media-contacts.pdf>.

A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation: 152 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations. With more than 31,000 retail locations and the most frequently visited website in the federal government, usps.com, the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world's mail. If it were a private-sector company, the U.S. Postal Service would rank 42nd in the 2012 Fortune 500. The Postal Service has been named the Most Trusted Government Agency for seven years and the fourth Most Trusted Business in the nation by the Ponemon Institute.

Follow the Postal Service on www.twitter.com/USPS and at www.facebook.com/USPS.